



NOTICE OF 28 MAY 2021 GENERAL MEETING

23 April 2021

Dear Quantum Graphite Shareholder,

Notice is given that Quantum Graphite Limited (QGL or the Company) will hold a General Meeting (GM, Meeting) as a virtual meeting at 11:00am (AWST) on Friday, 28 May 2021 online at <https://agmlive.link/QGLGM21>.

We recommend logging in to our online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions below:

Enter <https://agmlive.link/QGLGM21> into a web browser on your computer or online device:

- Shareholders will need their Shareholder Reference Number (SRN) or Holder Identification Number (HIN) printed at the top of the Proxy Form; and
- Proxyholders will need their proxy code which Link Market Services will provide via email no later than 24 hours prior to the Meeting.

Further details on how to participate in the GM online are set out in the Notice of Meeting and in the Online Platform Guide. The Online Platform Guide provides details about how to ensure your browser is compatible with the online platform, as well as a step by step guide to successfully log in and navigate the site. The Online Platform Guide will be released to the ASX and is also available on our website at <http://quantumgraphite.com/>.

If you are unable to attend the meeting, you are encouraged to complete and return the enclosed proxy form which allows you to lodge your vote directly or appoint a proxy to vote on your behalf. You may also lodge your proxy online at www.linkmarketservices.com.au. The completed proxy form must be received by Link Market Services no later than 11:00am (AWST) on 26 May 2021.

At the Meeting, the following items of business will be considered:

- ratify the issue of shares to sophisticated and institutional investors completed under the Company's capital raising announced earlier this month
- approve the issue of shares to those sophisticated and institutional investors that are related parties for the purposes of ASX Listing Rules 10.1 and 10.2 and participated in the Company's capital raising announced earlier this month
- approve the issuance of shares to Chimaera Capital Markets for the provision of capital market services.

Details of these items of business are set out in the following pages which also include the Explanatory Memorandum and the Board's voting recommendations.

Instructions on how to appoint a proxy are on the back of the enclosed proxy form. Please read these instructions carefully. The instructions will also assist you if you wish to appoint the Chairman as your proxy to vote on your behalf. Proxy forms must be received by 11.00am (AWST) (1.00pm AEST) on 26 May 2021 to be valid for the meeting.

The Investor section of our website contains a link to the Company's share registry provider. You may register your details at this site, including email address, to receive all shareholder information electronically including the Notice of Meeting.

We look forward to your participation at the Meeting.

Release of market announcement authorised by Board of Directors, Quantum Graphite Limited, ABN 41 008 101 979



NOTICE OF GENERAL MEETING

11:00AM AWST (VIA <https://agmlive.link/QGLGM21>) ON FRIDAY, 28 MAY 2021

The Explanatory Memorandum which follows the Agenda (and forms part of the Notice of Meeting) provides additional information on the matters to be considered at the Meeting.

RESOLUTION 1 – Ratification of prior issue of 22,930,787 Placement Shares (issued under ASX Listing Rule 7.1)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 22,930,787 Shares at an issue price of \$0.065 per Share issued in accordance with ASX Listing Rule 7.1 on 24 March 2021, to institutional, professional and/or sophisticated investors and on the terms and conditions set out in the Explanatory Memorandum.

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Information about this resolution is set out in the Explanatory Memorandum.

RESOLUTION 2 – Issue of Placement Shares to related party (Luala Pty Ltd)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 2,076,923 Shares to Luala Pty Ltd at \$0.065 per Share on the terms and conditions set out in the Explanatory Memorandum.

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Bruno Ruggiero (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the Shares (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Information about this resolution is set out in the Explanatory Memorandum.

RESOLUTION 3 – Issue of shares to related party (Pershing Nominees Pty Ltd)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 5,761,527 Shares to Pershing Nominees Pty Ltd at \$0.065 per Share on the terms and conditions set out in the Explanatory Memorandum.

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Sal Catalano (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the Shares (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: In accordance with section 224 of the Corporations Act, a vote on this resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party. However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of the Excluded Party for that Resolution.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution. Provided the Chair is not an Excluded Party, the above prohibition does not apply if:
 - (i) the proxy is the Chair; and
 - (ii) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Information about this resolution is set out in the Explanatory Memorandum.

RESOLUTION 4 - Approval of Proposed Issue of Shares to Markets Nominees Pty Ltd for the provision of capital market services

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

- (a) *That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 43,080,000 Shares to Markets Nominees Pty Ltd on the terms and conditions set out in the Explanatory Memorandum.*

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this resolution by Mr Sal Catalano and any of his associates and any other person who will obtain a benefit (except a benefit solely in the capacity of a holder of securities).

However, the Company will not disregard a vote if:

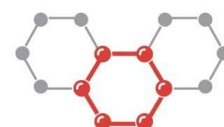
- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form;
- (b) if it is cast by a custodian or nominee, to the extent only that those holders (Nominee Holders) are acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of beneficiaries who did not or will not participate in the issue
- (c) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement: In accordance with section 224 of the Corporations Act, a vote on this resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party. However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of the Excluded Party for that Resolution.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (iii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution. Provided the Chair is not an Excluded Party, the above prohibition does not apply if:
 - (i) the proxy is the Chair; and
 - (ii) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Information about this resolution is set out in the Explanatory Memorandum.



Entitlement to attend and vote

In accordance with Reg 7.11.37 of the Corporations Regulations 2001 (Cth), the Board has determined that persons who are registered holders of Shares in the Company as at 7:00pm (AEST) on 26 May, 2021 will be entitled to attend and vote at the GM as a shareholder.

If more than one joint holder of Shares is present at the gm (whether personally, by proxy, or by attorney, or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register of Shareholders will be counted.

Attending the GM and live voting online

Quantum Shareholders can participate in the General Meeting virtually via Computer or a Mobile device – by entering the following URL in your browser <https://agmlive.link/QGLGM21>. The meeting will be viewable from desktops, laptops, tablets and mobile devices.

To participate and vote online you will need your Shareholder Reference Number (SRN) or Holder Identification Number (HIN) printed at the top of the proxy form and postcode. Proxyholders will need their proxy code which Link Market Services will provide via email no later than 24 hours prior to the meeting. online participants should register at least 15 minutes before the GM.

You will be able to live vote during the meeting when invited by the Chair. You will be able to vote For, Against or Abstain on each item through the online platform.

Further details on how to participate in the GM online are set out in the attached Notice of Meeting and in the Online Platform Guide. The Online Platform Guide provides details about how to ensure your browser is compatible with the online platform, as well as a step-by-step guide to successfully log in and navigate the site. The Online Platform Guide will be released to the ASX and is also available on our website at <http://quantumgraphite.com/>.

Technical Difficulties

Technical difficulties may arise during the course of the General Meeting. The Chair has discretion as to whether and how the meeting should proceed in the event that a technical difficulty arises. In exercising his discretion, the Chair will have regard to the number of shareholders impacted and the extent to which participation in the business of the meeting is affected. Where he considers it appropriate, the Chair may continue to hold the meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, shareholders are encouraged to lodge a Proxy by 11:00am (AWST) on 26 May 2021 even if they plan to attend the meeting online.



QUANTUM GRAPHITE LIMITED
EXPLANATORY MEMORANDUM
NOTICE OF 28 MAY 2021 GENERAL MEETING

Introduction

General

The purpose of this Explanatory Memorandum is to provide shareholders with all information known to the Company, which is material to a decision on how to vote on the resolutions contained in the Notice. The Explanatory Memorandum forms part of the Notice.

A copy of the Notice was lodged with ASX Limited (ASX) on 23 April 2021. No responsibility is taken for the content of this Notice by ASX.

This Explanatory Memorandum should also be read in conjunction with the 2021 Half Year Financial Report.

Shareholders are advised to read this document carefully and in full before the Meeting is held. If you are in any doubt as to how to deal with this document, please consult your legal, financial or other professional advisor.

Purpose of Meeting

The Meeting has the following purposes:

- (i) To ratify the terms of a placement of 22,930,787 shares made to unrelated parties for the purposes of ASX Listing Rule 7.1, 7.4 and all other purposes;
- (ii) to approve the issuance of 2,076,923 Shares to LuaLa Pty Ltd for \$135,000.00;
- (iii) to approve the issuance of 5,761,527 Shares to Pershing Nominees Pty Ltd for \$374,499.25; and
- (iv) to approve the issuance of up to 43,080,000 Shares to Markets Nominees Pty Ltd.

See Section 2, 3 and 4 below, for further information.

Forward looking statements

This Explanatory Memorandum may contain forward looking statements. Shareholders should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the Company as well as general economic conditions and conditions in the financial markets.

Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and such deviations are both normal and to be expected. Neither the Company, any of its officers or any person named in the Notice or involved in the preparation of the Notice makes any representation or warranty (either express or implied) as to accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, and shareholders are cautioned not to place undue reliance on those statements. To the extent that there is any forward-looking statement in this Notice, such statements reflect views held only as at the date of this Notice.

Glossary

In this Notice of Meeting and Explanatory Statement, unless the context otherwise requires:

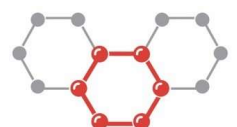
2021 Interim Accounts means the Company's half-year financial statements for the 6 month period ended 31 December 2020 included within the 2021 Half-Year Financial Report.

ASX means Australian Securities Exchange Limited ACN 008 624 691 or the financial market conducted by it, as applicable.

Board means the board of directors of the Company.

Chimaera Capital Markets or CCM means a division of Markets Nominees Pty Ltd (ACN 115 665 257, AFSL 319197), a member of the Chimaera Financial Group.

Corporations Act means the Corporations Act 2001 (Cth).



Director means a director of the Company.

Listing Rules means the listing rules of the ASX, as amended or varied from time to time.

Mandate Shares means the shares to be issued to CCM in relation to the mandate to arrange capital markets funding for the Uley 2 project.

Notice means this Notice of Meeting including the Explanatory Memorandum.

Placement Shares means 22,930,787 Ordinary Shares.

Share(s) means a fully paid ordinary share(s) in the capital of the Company.

Shareholder means a person registered as a holder of Shares as at 7.00pm (AEST) on 19 May 2021.

Explanatory Notes to Resolutions

Further information is provided to Shareholders concerning the resolutions.

The purpose of the General Meeting is to approve share placements announced to the market and to provide shareholders with any further information.

Written questions to the Chairman about the above matters, may be submitted by no later than 5 business days before the meeting to the Company Secretary at the Company's registered office.

Resolution 1 - Ratification of prior issue of 22,930,787 Placement Shares (issued under ASX Listing Rule 7.1)

1.1 General

On 24 March 2021, the Company issued 22,930,787 Shares at an issue price of \$0.065 per Share to raise approximately \$1,490,501 (before costs of the issue) (Placement Shares).

The Shares were issued pursuant to the Company's Listing Rule 7.1 placement capacity.

The Company engaged the services of CCM, to manage the issue of the Placement Shares. No fee was paid to CCM for this service.

1.2 Use of Funds

The Placement Shares and the Director Placement Shares are being issued in order to fund the Company's activities as it seeks to develop its Uley 2 resource.

Together with the proceeds from the March Placement, the proceeds from the Offer will applied to meeting the Company's working capital needs over the next 15 months specifically in connection with the Uley 2 Project, the thermal battery media research and development work being undertaken pursuant to its collaboration with The Sunlands Company Pty Ltd and general corporate and administrative costs. Details of the application of proceeds of both the March Placement and the Offer are set out in the table below:

General Corporate	
ASX Fees and share registry costs	\$85,000
Accounting, Audit and miscellaneous	\$95,000
Uley 2	
Uley Corporate (funding, sales & marketing)	\$700,000
Site care and maintenance	\$500,000
Exploration commitments	\$120,000
MOU with The Sunlands Company Pty Ltd	
Thermal Battery media research and development	\$110,000
Contingency	\$90,000
Total	\$1,700,000



1.3 Listing Rules 7.1 and 7.1A

Subject to a number of exceptions, Listing Rule 7.1 generally limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12-month period.

Further, under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company obtained approval to increase its limit to 25% at the annual general meeting held on 30 November 2020. The additional 10% capacity was not utilised for the purposes of this placement.

The issue of the Placement Shares does not fit within any of the Listing Rule 7.1 exceptions. Accordingly, as the issue has not yet been approved by Shareholders, it effectively reduces the Company's 15% issuance capacity under Listing Rule 7.1 by the amount of the Placement Shares and 12-month hereby reduces the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the date of issue of the Placement Shares.

1.4 Listing Rule 7.4

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under this rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

Resolution 1 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

1.5 Technical information required by ASX Listing Rule 14.1A

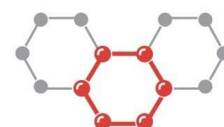
If Resolution 1 is passed, the Placement Shares will be excluded in calculating the Company's combined 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

If Resolution 1 is not passed, the Placement Shares will be included in calculating the Company's combined 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

1.6 Technical information required by ASX Listing Rule 7.5

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- (a) the Placement Shares were issued to professional and sophisticated investors who were known to the Company. The recipients were identified through a bookbuild process, which involved the Company, Chimaera Capital Limited and CCM seeking expressions of interest to participate in the capital raising from non-related parties of the Company. None of the recipients are related parties of the Company;
- (b) 22,930,787 Placement Shares were issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 1);
- (c) the issue price was \$0.065 per Placement Share for the issue of Shares pursuant to Listing Rule 7.1. The Company has not and will not receive any other consideration for the issue of the Placement Shares;
- (d) the Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;



- (i) the purpose of the issue of the Placement Shares was to raise \$1,490,503.81, which will be used for working capital and other capital requirements;
- (ii) the Placement Shares were not issued under an agreement; and
- (iii) a voting exclusion statement is included for each of Resolutions 1 and 2 of the Notice.

Resolutions 2 & 3 – Issue of Placement Shares to Related Parties (Luala Pty Ltd and Pershing Nominees Pty Ltd)

2.1 Background

The Company is seeking shareholder approval for the issue of 2,076,923 shares to Luala Pty Ltd and 5,761,527 Shares to Pershing Nominees Pty Ltd. The issue of Shares to Luala Pty Ltd and Pershing Nominees Pty Ltd respectively shall be undertaken on the same terms as the placement announced on 24 March 2021 (see Sections 1.1 and 1.2 above). These entities are related to Mr Bruno Ruggiero and M Sal Catalano respectively.

The Chairman will cast all available proxies in favour of this resolution. Shareholders may also choose to direct the Chairman to vote against this resolution or to abstain from voting. Each Director recommends that Shareholders vote in favour of this resolution.

Chapter 2E of the Corporations Act For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Director participation will result in the issue of Shares which constitutes giving a financial benefit and Mr Catalano and Mr Ruggiero are related parties of the Company by virtue of being Directors of the Company.

The Directors (other than Mr Catalano and Mr Ruggiero who have a material personal interest in Resolutions 2 and 3, respectively) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Director participation because the Director Placement Shares will be issued to Mr Catalano and Mr Ruggiero (or their nominees) on the same terms as Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

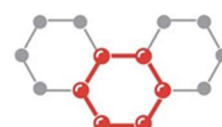
2.2 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders, unless it obtains the approval of its shareholders.

The Director Participation falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 2 and 3 seeks Shareholder approval for the Director participation under and for the purposes of Listing Rule 10.11.



2.3 Technical information required by Listing Rule 14.1A

If Resolutions 2 and 3 are passed, the Company will be able to proceed with the issue of the Director Placement Shares under the Director participation within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and will raise additional funds which will be used in the manner set out in Section 1.2 above.

As approval pursuant to Listing Rule 7.1 is not required for the issue of the Shares in respect of the Director participation (because approval is being obtained under Listing Rule 10.11), the issue of the Shares will not impact the Company's 15% annual placement capacity.

If Resolutions 2 and 3 are not passed, the Company will not be able to proceed with the issue of the Director Placement Shares under the Director participation and the relevant funds will not be raised from the Directors.

2.4 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 2 and 3:

- (a) the Director Placement Shares will be issued to Bruno Ruggiero and Sal Catalano (or their nominees), who each fall within the category set out in Listing Rule 10.11.1, as each of them is a related party of the Company by virtue of being a Director;
- (b) the maximum number of Shares to be issued is:
 - (i) 2,076,923 Shares to Luala Pty Ltd, an entity associated with Mr Bruno Ruggiero; and
 - (ii) 5,761,527 Shares to Pershing Nominees Pty Ltd as trustee of the Pershing Strategic Investment Trust, an entity associated with Mr Sal Catalano.
- (c) the Shares forming part of the Director Placement Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Director Placement Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (f) the issue price of the Director Placement Shares will be \$0.065 per Share. The Company will not receive any other consideration for the issue of these Shares;
- (g) the purpose of the issue of Shares under the Director participation is to raise capital, to be applied towards the purposes set out in Section 1.2 above;
- (h) the issue of the Director Placement Shares under the Director participation is not intended to remunerate or incentivise the Directors;
- (i) the Director Placement Shares are not being issued under an agreement; and
- (j) voting exclusion statements are included in Resolutions 2 and 3 of the Notice.

2.5 Additional Information relating to Shareholding

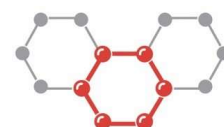
Related entities of each of the Directors have notified the Company of a substantial shareholding. The impact of the issue of the Director Placement Shares on shareholder voting will be as follows:

Entities Associated with	Existing Voting Control		Proposed Voting Control	
	Shares	%	Shares	%
Mr Sal Catalano	43,769,139	17.30%	49,530,666	18.99%
Mr Bruno Ruggiero	15,653,510	6.19%	17,730,433	6.80%

RESOLUTION 4 - Approval of Proposed Issue of Shares to Chimaera Capital Markets for the provision of capital market services

3.1 Background

The Company is seeking Shareholder approval to issue up to 43,080,000 shares to CCM an entity associated with Mr Sal Catalano for the provision of capital market services in connection with the raising of capital for the Uley 2 project.



3.2 Number of Shares to be issued

The number of shares allocated is conditional upon the occurrence of specific capital markets milestones, i.e., (i) the signing of mandate documentation acceptable to the Company, (ii) the registration and/or approval of capital markets offering documentation and (iii) financial close.

For the purposes of this resolution the quantum of the maximum issue of shares is calculated by the following formula:

$$\text{Capital Amount} \times \text{Issue Price}$$

Where:

Capital Amount means the funding requirement for the Uley 2 project being A\$80,000,000 (see Mining Study announcement to the market on 11 December 2019) or such other amount determined by the Company.

Issue Price means the greater of \$0.065 and the monthly VWAP for the five (5) trading days immediately preceding the achievement of the relevant milestone).

The formula for determining the actual number of shares to be issued on the achievement of the relevant milestone shall be determined in accordance with the following formula:

$$(\text{Capital Amount} \times \text{Fee \%}) / \text{Issue Price}$$

Where:

Capital Amount see above.

Issue Price see above

Fee % means the fee percentage for each of the Milestones as specified in the following table.

<u>Milestone</u>	<u>Fee %</u>
Execution of mandate document with lead arranger	0.8%
Registration of offering or disclosure documentation	1.2%
Financial close of Uley 2 project funding	1.5%

For the purpose of illustration, the Company has assumed that shares will be issued to CCM at the minimum price of \$0.065 per share which would result in the maximum number of Shares being issued as set out in the table below:

	<u>Fee %</u>	<u>A\$Fee</u>	<u>Maximum Number of Shares @ \$0.065</u>
Signing of mandate document with lead arranger	0.8%	\$640,000	9,850,000
Registration of offering or disclosure documentation	1.2%	\$960,000	14,770,000
Financial close of Uley 2 project funding	1.5%	\$1,200,000	18,460,000
Total	3.5%	\$2,800,000	43,080,000

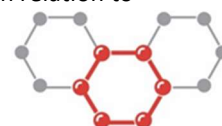
3.3 Note regarding Section 211

It is the view of Directors that the proposed issue of shares pursuant to these resolutions fall within the exception under section 211 of the Corporations Act (reasonable remuneration) given the circumstances of the Company and the position held by Mr Sal Catalano. Accordingly, shareholder approval is not being sought under section 208 of the Corporations Act, although shareholder approval must be obtained pursuant to ASX Listing Rule 10.11.

3.4 Note regarding ASX Listing Rule 10.11

Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party of the company. Approval pursuant to Listing Rule 7.1 is not required in order to issue the Shares to the Directors as approval is being obtained under Listing Rule 10.11.

Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under Listing Rule 10.11. For the purposes of Listing Rule 10.13, the following information is provided in relation to Resolution 4:



- (a) the related parties are Mr Catalano and they are related parties by virtue of being Directors of the Company;
- (b) the maximum number of Shares to be issued by the Company will be determined by dividing the milestone payment amount by the prior five-day VWAP (subject to a floor price of \$0.065) upon the occurrence of a milestone;
- (c) prior to the Meeting the Company will request an ASX waiver from the requirement that the Shares be issued within one month after the date of the AGM and, should the request be successful, allotment will occur upon the occurrence of each milestone provided that the milestone is satisfied within twelve months;
- (d) any fractions of Shares resulting from the calculation will be rounded down to the nearest whole number;
- (e) the Shares will be issued within five days of the milestone being achieved;
- (g) a voting exclusion statement is included in this Notice of Meeting of which this Explanatory Statement forms part; and
- (h) if a milestone has not been achieved within twelve (12) months the authorisation shall lapse (although the Directors may seek further approval from shareholders to allow for shares to be issued upon satisfaction of milestones after that date).

Mr Catalano is an executive director of the Company and, as such, ASX Listing Rule 10.13.8 requires disclosure of Mr Catalano's existing remuneration.

Details of the current remuneration package for Mr Catalano is as follows:

	Base Payments	Director Fees (paid by issuance of shares)	Total Remuneration
Mr Catalano	\$94,500	\$72,000	\$166,500

The Company's Annual Report for any period during which the shares are issued to entities associated with Mr Catalano (or their nominees) shall disclose the details of the number of Shares that were issued to them, including the percentage of the Company's issued capital represented by those Shares.

The relevant interests of the related parties in Shares of the Company and the potential future voting power of the related parties based on the issues of Shares to CCM (or its Nominee) are set out below:

Assuming Resolutions 2 & 3 are not passed

	Shares Currently Held	% Voting Power	Maximum No of Shares to be issued under Resolution 4	Increase in voting power for individual dilution	% Voting Power after issuance*
Mr Catalano	43,769,139	17.30%	43,080,000	12.03%	29.34%

Assuming Resolutions 2 & 3 are passed

	Shares Held if Resolutions 2 and 3 are passed	% Voting Power	Maximum No of Shares to be issued under Resolution 4	Increase in voting power for individual dilution	% Voting Power after issuance*
Mr Catalano	49,530,666	18.99%	43,080,000	11.49%	30.48%

A Voting exclusion statement for each of the resolutions is set out in the Notice of Meeting. The Chairman intends to vote available undirected proxies in favour of all resolutions.

